

AMENDED IN ASSEMBLY APRIL 10, 2000

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 2548

Introduced by Assembly Member Cox
(Coauthor: Assembly Member Steinberg)
(Coauthors: Senators Johannessen, Johnston, and Ortiz)

February 24, 2000

An act to add Section 12751.3 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2548, as amended, Cox. Municipal utility districts: purchases.

The Municipal Utility District Act generally requires the purchase of supplies and materials by a municipal utility district to be let by contract to the lowest responsible bidder when the expenditure is in excess of \$25,000, or, in any district with a population of 250,000 or more, in excess of \$50,000, with annual adjustments to those dollar limits.

This bill would authorize the board of a district ~~that has owned and operated an electric distribution system for at least 8 years and has a population of 250,000 or more,~~ to provide for the purchase of supplies and materials, when the expenditure required exceeds \$50,000, by contract let in accordance with best value acquisition, as defined, policies adopted by the board. *The bill would require a district that elects to purchase supplies and materials by contract let in accordance with*

those policies to submit a specified report to the Legislature, as prescribed.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12751.3 is added to the Public
2 Utilities Code, to read:

3 ~~12751.3. (a) Notwithstanding Section 12751, the~~
4 ~~board of a district that has owned and operated an electric~~
5 ~~distribution system for at least eight years and has a~~
6 ~~population of 250,000 or more may provide for the~~

7 12751.3. (a) Notwithstanding Section 12751, a district
8 may provide for the purchase of supplies and materials,
9 when the expenditure required exceeds fifty thousand
10 dollars (\$50,000), by contract let in accordance with best
11 value acquisition policies adopted by the board pursuant
12 to this section. The board may authorize the general
13 manager to act for the board in determining a best value
14 bidder in accordance with best value acquisition policies
15 and to award a contract to that bidder.

16 (b) The best value acquisition policies adopted
17 pursuant to subdivision (a) shall consider, but not be
18 limited to, all of the following:

19 (1) Price and service level proposals that reduce the
20 district's overall operating costs.

21 (2) Supplies and materials standards that support the
22 district's strategic supplies and materials acquisition and
23 management program direction.

24 (3) A procedure for protest and resolution.

25 (4) Any other factors the board determines to be
26 relevant.

27 (c) For purposes of this section, "best value
28 acquisition" means a competitive procurement process
29 whereby the award of a contract for supplies and
30 materials may take into consideration any of the following
31 factors:

32 (1) The total cost to the district of its use or
33 consumption of supplies and materials.

1 (2) The operational cost or benefit incurred by the
2 district as a result of contract award.

3 (3) The value to the district of vendor-added services.

4 (4) The quality, effectiveness, and innovation of
5 supplies, materials, and services.

6 (5) The reliability of delivery or installation schedules.

7 (6) The terms and conditions of product ~~warranties~~
8 *warranties* and vendor guarantees.

9 (7) The financial stability of the vendor.

10 (8) The vendor's quality assurance program.

11 (9) The vendor's experience with the provision of
12 supplies, material, and services.

13 (10) The consistency of the vendor's proposed
14 supplies, materials, and services with the district's overall
15 supplies and materials procurement program.

16 *(d) If a district elects to purchase supplies and*
17 *materials by contract, let in accordance with best value*
18 *acquisition policies adopted by the board pursuant to this*
19 *section, the district shall submit a report to the*
20 *Legislature not later than three years from the date on*
21 *which the district commences those procurement*
22 *practices. The district shall include in the report a*
23 *summary of the costs and benefits of best value*
24 *acquisition compared to traditional low bid procurement*
25 *practices, the effect of best value procurement practices*
26 *on small businesses, the nature of any disputes arising*
27 *from the use of best value procurement practices, and the*
28 *status of those disputes.*